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Advertising Age

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Smaller is beautiful in '90s fight for accounts

Hunt for creativity lures marketers from big shops

An Advertising Age roundup

Smaller shops have got the Big Mo.

Routinely ignored by major marketers in the past, small and midsize ad agencies are winning more large accounts, gaining momentum on their much bigger brethren.

In recent months, major assignments snared by shops with billings of less than $500 million include the $80 million American Isuzu Motors account won by Goodby, Berlin & Silverstein, San Francisco; the $35 million Nutri/System account won by Lotus Minard Patton McIver, New York; a substantial chunk of the $45 million Pearle account won jointly by GSD&M, Austin, Texas, and Wyse Advertising, Cleveland; and the $35 million Compaq Computer Corp. account won by Ammirati & Puris, New York.

In many of the recent account switches, the smaller agencies have gone head-to-head against big-name shops—like Pearle incumbent Foote, Cone & Belding and Compaq incumbent Ogilvy & Mather—and come out victorious.

The small and midsize agencies, moreover, are getting into a lot more competitions than they were just a year ago.

An informal tracking of agency reviews by *Advertising Age* found 46—or 72%—of the 64 agencies participating in 24 reviews identified through mid-March of this year were small to midsize shops.

That's up from the same period last year, when 37—or 56%—of 66 agencies that competed in 22 re-

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Time Inc. 'floats' rate idea

Publisher mulls seasonal changes in reader guarantees

By Scott Donaton

NEW YORK—Time Inc. is exploring the concept of "floating" rate bases for its mass-market magazines and could start testing the idea this fall.

Under the plan, the magazines' rate bases, or circulation guarantees, and ad rates would be moved up or down during the year to reflect seasonal trends in circulation.

Magazines would be able to charge advertisers for higher circulation and avoid rebates to advertisers during weaker sales periods. Under the current system, if a magazine sells more copies than it guarantees in the fixed rate base, advertisers aren't charged for the bonus circulation; if it misses that rate base, rebates are given in the form of cash or space.

Although the floating rate base idea isn't completely new to the magazine industry, it's never been put into wide practice or used at subscription-driven magazines.

"We'd like to be the first," said S. Christopher Meigher, president of Time Inc.'s New York-based magazines and a former circulation executive. "We're going to try to figure out if there's something there."

The company has no solid plans to test floating rate bases at this time, he said, but is actively exploring the idea and might test it this fall.

Mr. Meigher declined to speculate on which Time Inc. titles would par-

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Opening Day, and the Bunny goes up to bat

By Julie Liesse

The Energizer Bunny will deliver the first "pitch" of the 1992 baseball season.

Major League Baseball kicks off its season today, and a live version of the ubiquitous pink bunny will be covering the bases from Seattle to Philadelphia, making on-field, Opening Day visits.

During the next nine days, he will interrupt the Phillie Phanatic, stalk the outfield at Seattle's Kingdome and be crossing the mound at the Cubs' Wrigley Field.

Eveready Battery Co. has negotiated the on-field appearances in conjunction with a major radio buy. In the deal, Energizer has become a sponsor of the seasonlong radio broadcasts for all 24 U.S. Major League Baseball clubs.

The on-field appearances are an adjunct to the radio deals, and Eveready last week was scrambling to line up a bunny/actor to be at each team's home opener.

The deal wasn't easy to snare. Most teams balked at Eveready's original idea: to have the bunny on the pitcher's mound as the home

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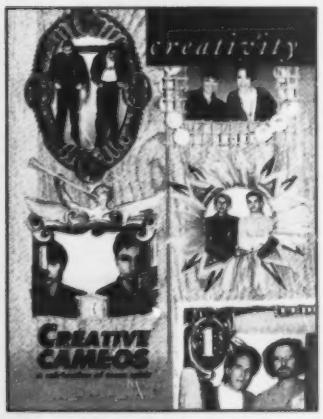

Team spirit: Examining what it takes to make the hot teams click. **After Page 30.**

("Creativity" is available on request; call 1-800-678-9595.)

James blasts promotions

Incoming 4A's chief to fight trade spending

By Pat Sloan

NEW YORK—Bob James wants the ad industry to fight back against the inclination to redirect advertising money to trade promotion.

The McCann-Erickson Worldwide chairman, who will be elected chairman of the American Association of Advertising Agencies at its annual convention this week, said he's not opposed to consumer-oriented promotion like couponing. His concern is certain trade incentives like slotting allowances, which he views as a dangerous consequence of the retail trade's "inexorable appetite."

"I think it has taken the industry a long time to realize money is not going for promotional purposes at all," Mr. James said. "It's really going for retailers."

Mr. James said recent revelations that H.J. Heinz Co. and others are cutting ad spending but increasing promotional spending "bespeaks the need to take overt action."

"It's time to shake people by the lapels," he said, "to call attention to the problem and come up with solutions. To find another way to satisfy the trade.

"Where I intend to focus my time and effort with the Four A's is making sure our people are able to convince clients the most effective way they can spend marketing money is through the medium of advertising.

"When you let this go for a quick fix, you can get away with it in the short term, but eventually it catches up. It kills the goose that lays the golden egg."

Mr. James maintained that with less advertising and innovation, brand value erodes.

"As soon as people easily accept substitutes for a product, you know the cancer is proceeding," he said. "The next step is they are unwilling to pay the price, the next step is store brands and the next step is commodities."

This, he argued, isn't good for the trade either, because stores then become commodities themselves.

"Tiffany's vs. Fortunoff [a jewelry chain] is a graphic example of the value of the brand," he

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LAST MINUTE NEWS

'Men's Journal' to get quick start

NEW YORK—The launch plan for *Men's Journal* is being accelerated even before the first issue reaches newsstands April 14. Straight Arrow Publishers Chairman Jann Wenner said there will be two issues this year; then next year, the magazine for active men will go every-other-monthly rather than quarterly as first planned. The launch issue carries 83 paid ad pages from a wide variety of categories.

Omnicom rumors swirl

NEW YORK—Rumors were rampant at press time that Omnicom Group was on the verge of a merger of its Goodby, Berlin & Silverstein and Tracy-Locke units or a new acquisition. One potential acquisition mentioned was McCaffrey & McCall; an executive at McCaffrey denied that, as did Omnicom Chief Financial Officer Fred Meyer, who had no comment on other possible acquisitions. An Omnicom spokesman knew of no plans to merge Goodby and Tracy-Locke, though an Omnicom insider maintained such a move could be an-

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Sega is game for review of $65M unified account

By Cleveland Horton

Sega of America has opened its consolidated $65 million videogame account to a full-blown agency review.

A limited number of West Coast agencies this week will get packages from the No. 2 videogame marketer. The account is now split between Bozell, Los Angeles, which handles the Genesis home console, and Della Femina, McNamee, which has the portable Game Gear account.

The review follows the arrival earlier this year of Edward A. Volkwein as senior VP-marketing. He said both incumbents are included in the review.

In addition to the agency review, Mr. Volkwein has switched public relations agencies—to Manning, Selvage & Lee, Los Angeles, from Ketchum PR, San Francisco. Other specific marketing assignments have gone to a variety of agencies.

Mr. Volkwein assigned sales promotion to the Strottman Group, Irvine, Calif.; sports promotion to deGroot & Carlucci, White Plains, N.Y.; and licensing to Scanlan-Drosnes, Westport, Conn.

Mr. Volkwein said he isn't opposed to using a media buying service, allowing smaller agencies to participate in the review for creative. Buying is currently handled by the incumbents.

Four or five finalists will be asked for creative presentations (for which the agencies will be compensated) in June, with a decision scheduled for early July, he said. □

Y&R media chief departs

Farella's exit adds to questions on agency's direction

By Joe Mandese

NEW YORK—The sudden departure of Steve Farella as media director at Young & Rubicam is the most recent change in a series of lurches and false starts for the agency's media department.

Y&R issued a terse, four-paragraph statement last week that said the agency and Mr. Farella "would part company by mutual agreement."

But Mr. Farella's departure, coupled with a series of recent management shifts and power struggles throughout Y&R, have executives inside and outside the agency wondering about the shop's overall direction.

Another senior Y&R executive, Vice Chairman-Worldwide Director of Marketing George Guimaraes, 47, left the agency last week to join Bloom FCA as chairman-ceo of the New York office, a vacant post.

Mr. Guimaraes, who spent more than 20 years at Y&R, had lost much of his new-business responsibilities to New Business Director James Hood following a management restructuring earlier this year.

But Mr. Farella isn't leaving for another position.

Several Y&R executives said Mr. Farella, 36, was frustrated by a lack of support from agency management, who refused to back him on some key changes he proposed for the media department.

Mr. Farella was hired by the agency last July from Wells Rich Greene BDDP, where he was exec VP-director of media services.

He succeeded Gary Pranzo, who was named deputy worldwide media director of Y&R but was recently forced out of that role and is now serving as a consultant to the agency.

Mr. Farella "didn't mesh with the culture," said a former Y&R media executive. "It was a palace revolution, where the people reporting to him really did not want to report to him. And some of the people who brought him in were not there anymore or in the same positions."

Steve Farella is out after less than a year at Y&R.

Mr. Farella was hired by Joseph De Deo and John McGarry, who at the time were president of Y&R Advertising USA and president of Y&R's New York office, respectively.

In January, Mr. De Deo was moved to chairman-chief creative officer of Y&R Inc. and Mr. McGarry to president-ceo, Y&R Advertising North America.

Mr. Farella is said to have had conflicts over the department's operations with Frank Anfield, who succeeded Mr. McGarry as president of Y&R New York and to whom Mr. Farella reported.

"There was an incredible amount of tension there," said a publishing executive who requested anonymity.

The agency said all media planning, buying and research department heads will report to Mr. Anfield on day-to-day operations and to Worldwide Media Director Chris Dickens on media matters until Mr. Farella's successor is named. □

Jon Lafayette and Scott Donaton contributed to this story.

MasterCard seeks soccer shop

By Gary Levin

MasterCard International is seeking an agency to handle a global campaign promoting its 1994 World Cup soccer sponsorship.

President-CEO Alex W. "Pete" Hart described the search as a "separate but concurrent activity" with the credit card marketer's review of its $60 million U.S. account, now at Lintas:New York.

But the World Cup assignment could be nearly as lucrative, at least in the short term. MasterCard last week signed Brazilian soccer star Pele as part of a $75 million worldwide package that includes the cost of advertising, promotions, publicity and event marketing support through 1994.

"I don't know who else is known worldwide by a four-letter word; it's not George" Bush, Mr. Hart said, explaining the Pele endorsement. Under terms of the contract, Pele can't endorse any other World Cup sponsor.

The World Cup championship will be played in the U.S. for the first time in 1994, with 52 matches scattered among nine major markets. But MasterCard's sponsorship is most valuable overseas, where the brand lacks the awareness it enjoys in the U.S. and where soccer is most popular.

"Pele internationally is very recognizable," said Mava Heffler, U.S. VP-promotions. "The impact of the association is less here" and will be promoted in the U.S. through ads prepared by the winner in the current domestic agency review.

World Cup ads that prominently feature Pele will be prepared by the winner in the overseas review and are expected to break during the third quarter of this year in Latin America, Europe and possibly other regions. Lintas:Worldwide handles MasterCard's European account, which isn't up for review and won't be affected by the World Cup assignment.

In 1994, MasterCard will promote its World Cup sponsorship both locally and nationally as part of a strategy to increase event marketing. Here, MasterCard enjoys greater awareness but is a perennial also-ran to Visa International, which invested $20 million in an Olympic sponsorship this year.

So MasterCard executives say their challenge in the U.S. is to build a leadership position by promoting the soccer sponsorship to bank issuers and using it to boost card use.

Toward that end, MasterCard plans local versions of its 2-year-old MasterValues promotion in several of the host cities. □

Suiting Dems to a T

'Rolling Stone' hits GOP in title's 1st political ad

By Steven W. Colford

WASHINGTON—The Democratic National Committee may have struck youth-market gold with a page ad in an unlikely place, *Rolling Stone*.

The committee paid about $37,000 for the ad in the April 16 issue, offering readers a chance to buy anti-Republican T-shirts for $25 each by calling an 800 number. It's the first time the magazine has ever run a political ad.

Preliminary returns were "through the roof," said Kent Brownridge, *Rolling Stone* senior VP-general manager, but he wouldn't give specific numbers.

"We approached the DNC . . . after I read about Jerry Brown, with his 800-number promotions in the first Democratic debate, raising $150,000," said Mr. Brownridge, who calls himself a political independent with a distinct dislike for the Bush-Quayle duo. "I thought that even if he didn't raise that much, there was a lot of response to a single ad, and given the right mechanism, there might be a way to tap into a big market."

POLITICS ★★★★ 92

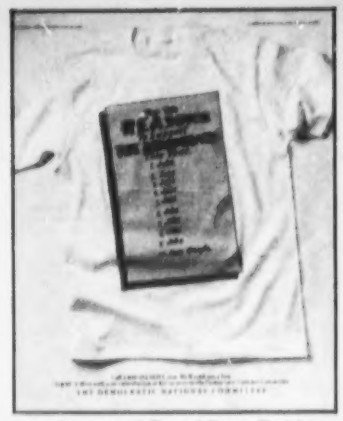
■ Jerry Brown tries TV in New York —Page 41.

The Democratic committee, meanwhile, had extracted considerable press and a few dollars—without advertising—from 1991 sales of a T-shirt similar to one offered in *Rolling Stone*. It was looking for an effective follow-up.

"The matchup made sense," said Ginny Terzano, the committee's press secretary. "Their readership is the 'boomer' generation that we're trying to attract and that has grown frustrated with George Bush. They're potential voters who want to be active but don't know the means."

Bill Miller, a copywriter at *Rolling Stone* agency Fallon McElligott, Minneapolis, created the two T-shirts and the ad. Two variations of the ad ran, each featuring one of the shirts.

The shirt that resembles the committee's 1991 offering features the slogan "George Bush. The Anywhere But America Tour," playing off criticism of the president's frequent travels. The other shirt has a David Letterman-like list of 10 reasons to support the Democrats ("Jobs" makes up the first nine reasons and Vice President Dan Quayle the 10th).



A page ad in *Rolling Stone*, featuring one of two anti-Republican T-shirts, is paying off for the Democratic National Committee.

"We didn't do this to make a political statement, although I don't think we'd do the same thing for the Republican National Committee," Mr. Brownridge said. "The magazine just endorsed Jerry Brown for president; we are not fans of George Bush."

Ms. Terzano said no decision had yet been made as to when or whether another ad will appear.

Mr. Brownridge has hopes, though: "We probably could do it in the fall and probably will." □

K-Swiss' TV debut

Athletic shoe marketer K-Swiss last weekend broke its first-ever TV commercials, two classy b&w executions that set athletic competition to an operatic score. "What you feel for the sport, we feel for the shoes" is the theme of the 30-second spots, which will run on cable and network sports programming including Major League Baseball, America's Cup '92 and tennis coverage through June. The campaign is K-Swiss' first from Kresser/Craig, Santa Monica, Calif., which picked up the small but high-profile $5 million account in September.

Chrysler sedan launch plan seen as brand-blurring

By Raymond Serafin

Lee Iacocca's "exit" advertising this fall will help polish the departing Chrysler Corp. chairman's image, but there's debate over whether it will provide the right launching pad for the company's critical new line of midsize sedans.

Mr. Iacocca, scheduled to retire at yearend, will appear in a corporate TV spot introducing the Chrysler Concorde, Dodge Intrepid and Eagle Vision, three similar models.

But a major concern of those developing launch plans for the individual models is that the corporate effort will blur brand distinctions. Chrysler has often saved money with multibrand advertising.

Chrysler will spend an estimated $100 million to launch the models, including the corporate effort. Bozell, New York and Southfield, Mich., handles Chrysler corporate and Chrysler/-Plymouth division, while BBDO Worldwide, Southfield, handles Dodge and Campbell-Mithun-Esty handles Jeep/Eagle.

The Dodge Intrepid, lowest-priced of the three models, will be aimed at the youngest target and compete with the Ford Taurus.

"The Chrysler name completely overpowers everything they do."

Chrysler will position the Eagle Vision against import competitors such as the Nissan Maxima, while the Chrysler Concorde will go up against upscale competitors such as the Oldsmobile Eighty Eight Royale and Lexus ES300.

Much of Chrysler's marketing in the past several years has gone into developing corporate images on quality and safety, but some say that has come at the expense of brand building.

"The Chrysler name completely overpowers everything they do," said Jim Wangers, senior managing partner of Automotive Marketing Consultants. "What the company did with the minivan was a dramatic success, yet one of the nameplates that carries the minivan is about to die," referring to reports Chrysler will drop the Plymouth brand by the end of this decade.

Detroit automotive watchers say Mr. Iacocca has been concerned with how his legacy will be perceived. That's said to be a reason he won't retire until after the launches this year.

"A final Iacocca corporate effort isn't a bad thing, if it's used to pass the baton on to the new leaders," Mr. Wangers said. "If he does it right, it will give [designated successor Robert] Eaton and [President Robert] Lutz a real send-off." □

Psst: Marketers, Youngstown is waiting

By Bradley Johnson

The nation's media capital, it turns out, is Youngstown, Ohio.

Yes, adults in Youngstown spend nearly 9 hours a day watching TV, listening to the radio and reading newspapers and magazines, making them the biggest per-capita consumers of media, according to a Young & Rubicam survey of media habits in the U.S.' 209 areas of dominant influence.

Ad and media executives should be grateful for such a receptive market, says survey author Ken Sacharin, VP-media director of Y&R's San Francisco office.

On average, the survey suggests, U.S. adults devote as much time to media—about 8 hours—as they do to sleeping and working.

TV is the prime medium, getting 3 hours, 48 minutes; radio garners 3 hours, 21 minutes; and newspapers and magazines get 34 minutes and 20 minutes, respectively.

But "if there's an implication for this study, it really does just underscore that you can't approach the U.S. as a mass market," Mr. Sacharin said.

Media usage varies from 8 hours, 50 minutes in Youngstown to 6 hours, 23 minutes in Lafayette, Ind., home of Purdue University.

Why Youngstown? Mr. Sacharin speculated the old Ohio steel town's high unemployment and aging population leave residents with lots of time for media.

The study, extrapolated from such sources as Arbitron Co., Standard Rate & Data Service and the Newspaper Advertising Bureau, supports some common preconceptions.

Most notably, Mr. Sacharin said, people in the South prefer watching TV to reading. Eight of the top 10 markets for per-capita TV use are in the South and Southwest. Adults in the Greenwood/-Greenville, Miss., ADI are on top, devoting 4 hours, 39 minutes daily to TV.

Media capitals

Market rankings based on average hours spent by adults daily with TV, radio, newspapers and magazines.

	Hrs.	Min.
THE BEST:		
Youngstown, Ohio	8	50
W. Palm Beach/Fort Pierce/Vero Beach, Fla.	8	44
Las Vegas, Nev.	8	44
Fort Myers/Naples, Fla.	8	44
Wilkes-Barre/Scranton, Pa.	8	42
THE WORST:		
Lafayette, Ind.	6	23
Gainesville, Fla.	6	50
Victoria, Texas	6	54
Salt Lake City	6	57
Ottumwa, Iowa/Kirksville, Mo.	7	09

Source: Young & Rubicam

At the bottom is Lafayette, where residents tune in 2 hours, 53 minutes a day.

Los Angeles, the capital of TV production, is a below-average TV market. Adults watch 3 hours, 37 minutes daily, the same as in New York.

The least variation is in radio listening, Mr. Sacharin said, varying from 3 hours, 43 minutes a day in Miami/-Fort Lauderdale to 2 hours, 34 minutes a day in Gainesville, Fla.

The South and Southwest are home to the 10 markets that devote the least time to magazines and nine of the 10 markets that spend the least time with newspapers. Adults in McAllen and Brownsville, Texas, average just 19 minutes a day with newspapers.

The top newspaper town is also in the South—Charlottesville, Va., home of the University of Virginia, where adults average 53 minutes reading papers. The market ranks second to last in TV, with 2 hours, 56 minutes.

Top magazine markets tend to be cities with a comparatively educated, affluent population. In Boston, adults spend 29 minutes a day reading magazines. But Boston's No. 1 selling magazine is *TV Guide*, Mr. Sacharin says. □

Cable TV's packaging, viewership prove tasty to fast-food

McDonald's leads way in cable

Top 10 brands by cable TV network dollars (millions)

Rank	Brand	Jan.-Dec. 1991	% change from 1990
1	McDonald's restaurants	$16.2	84.1
2	Budweiser	8.8	7
3	Bud Light	4.1	17.8
4	Levi's jeans	4.1	4.9
5	*Sports Illustrated* subscriptions	3.7	11.7
6	Burger King restaurants	3.6	1.8
7	Upjohn Co.	3.6	1,072.0
8	AT&T long distance	3.4	10.3
9	Miracle-Ear hearing aids	3.3	161.5
10	AT&T international long distance	3.2	1.8
11	Bud Dry	3.0	456.0
12	Sears, Roebuck & Co.	2.9	13.0
13	Kodak film	2.8	248.4
14	National Dairy Board	2.8	65.5
15	Eveready Energizer batteries	2.8	40.4

Source: LNA/Arbitron Multi-Media Service. Includes spending on CNN, ESPN, Family Channel, MTV: Music Television, WTBS and USA Network.

Fast-food chains are nibbling at cable's affinity to work with advertisers. FSIs from Pizza Hut and Long John Silver's tie in with WTBS' "movie menu" and Nickelodeon show "Eureeka's Castle."

Mary Hanahy

Though late to the party, chains savor what's on table

By Scott Hume

Ronald McDonald is leading a fast-food parade into cable TV advertising.

With McDonald's Corp.'s help, the restaurant industry is discovering cable, albeit somewhat belatedly. Although still making a small commitment to the medium, fast-food's embrace of cable appears strong and growing.

This change comes during a difficult period for the restaurant industry, when the economy has dampened its overall ad spending.

■ **Procter & Gamble heads Top 15 parent company advertisers on cable nets in 1991—Page S-2.**

During 1991, total measured media spending by the restaurant industry was $1.72 billion, unchanged from 1990. But spending on cable TV by the restaurant industry was up nearly 40% for the year, topping $45 million.

When broken down by brand, McDonald's topped all cable spenders for full-year 1991, spending $16.2 million, according to LNA/Arbitron Multi-Media Service. That was an 84.1% increase over its 1990 spending.

Many other restaurant chains also are putting faith and money into cable. Burger King cut total media spending by 25%, but increased its cable bill 5%. Long John Silver's media total was off 6%; its cable spending more than doubled. Pizza Hut increased total spending 11%, but increased cable spending at a faster rate, upping it by 18%.

Cable is still a new medium for an industry that has built its growth primarily through network, spot and syndicated broadcast TV advertising. But in 1991, restaurant industry spending on cable for the first time surpassed the amounts accorded to newspaper and outdoor advertising.

Restaurant chain and cable executives point to several reasons for the growth of cable expenditures.

One is that the tough economy has put more pressure on chains to stretch marketing budgets and find ways to differentiate themselves to consumers.

Cable offers a lower or competitive cost per thousand and has aggressively courted restaurant business with advertising/promotion packages providing that differentiation.

But the most important change has been cable's increased household penetration. Most restaurant chains are comprised of dozens of operator co-ops, and national franchisors have been unwilling to—or contractually prevented from—buying ad space that doesn't equally benefit all franchisees in all markets.

That isn't a major problem for McDonald's and other national powerhouses. But it has made cable a problematic buy for regional chains. That's changing.

"We've made increased use of cable in the past year by meeting the difficulties of doing that," says Tony Lavely, exec VP-marketing for Long John Silver's parent Jerrico. The chain is large but not national; all its systemwide advertising has to help all markets.

"We don't buy network TV because we're not really national, so some portion of the impressions are wasted," he says. "We had a fling with 'regional network' buying in 1986, but that wasn't an answer. What's attracted us to cable are its strong efficiencies vs. spot and network buys."

That efficiency allows Long John Silver's to buy a "diversified portfolio" of cable networks to cover its markets. One of its biggest deals has been with Turner Broadcasting System. In exchange for a lower cost on its buy on Turner networks, Long John Silver's restaurants have in-store displays listing the month's movie schedule on TBS.

The same schedule is included on the chain's couponed newspaper inserts. Bozell, Dallas, handles Long John Silver's advertising. "It's a pure media value for us, but our consumer research has shown very high awareness levels for the TBS listings," says Mr. Lavely.

Still, Long John Silver's has had to work to sell cable to operators.

"An absolute, fundamental tenet of our operation is that with anything we do on a systemwide basis, we guarantee to our company-owned and franchised operators more measured-media benefit than they can spot buy on their own," he says.

"Our reason for being [as a franchisor] is to offer economies of scale, and we've worked hard to document the efficiencies [of our cable buys]. We think we've put in place a cable measurement system as good as anyone's."

Fast-food chains also are heavy users of in-store premium promotions, and as the economy has slumped they have become even more important ways to differentiate and draw customers. The cable networks' willingness to package in-store promotion programs with ad sales has helped make the medium more attractive.

Pizza Hut has become a major cable buyer and a frequent user of

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Inside

Spending shift sends P&G soaring atop cable list

Total ad spending in medium up 9% to $1.2 billion

By Alison Fahey

Despite reducing total media spending last year, Procter & Gamble Co. made cable TV one of two measured media to get an increase in advertising.

That boost from the nation's No. 1 advertiser helped overall ad spending on cable TV networks register a healthy 9% increase in 1991, to $1.2 billion.

Budget hikes from General Motors Corp. and General Mills—which with P&G make up cable's Top 3 advertisers as ranked by parent company rather than brand—also played a big role in that overall performance.

According to new figures reported by LNA/Arbitron Multi-Media Service, P&G in 1991 retained its top position as cable's biggest advertiser, investing $67.8 million into the six ad-supported networks monitored by LNA—Cable News Network, ESPN, Family Channel, MTV: Music Television, WTBS and USA Network.

In addition to its 17.1% hike in cable, P&G also increased Sunday magazine spending 63.9% to $4.3 million.

Moreover, the new spending figures show cable TV now holds a 5.8% share of P&G's total media budget, representing a 23% gain over the package-goods giant's share in 1990.

Indicative of P&G's commitment to cable is a deal struck in 1991 to co-produce and sponsor a new parenting series called "Your Baby and Child with Penelope Leach," which runs on cable's Lifetime network.

Under the deal, P&G spots fill half of the program's available commercial time with four of its brands getting category exclusivity as the show's official sponsors. Lifetime sells the remaining commercial time to non-competing brands.

"Clearly, we have hundreds and hundreds of hours of first-run programming [in conjunction with P&G], so there is a long-standing and increasing commitment from Procter," says Douglas McCormick, exec VP-Lifetime Television. "We seemed to have found the right formula."

Mr. McCormick says advertisers are being drawn into cable "for our enhanced value" and because cable traditionally delivers a more upscale audience than other mass media, particularly network TV.

USA Network also benefited from P&G's cable spending. "I saw a lot of increases from P&G," says John Silvestri, exec VP-ad sales for USA Network, noting that P&G and advertisers in general "were looking for efficiency and targeting and making their dollars go farther."

Mr. Silvestri says the network's ad revenue rose about 18% in 1991, about double the 9% reported by LNA. Growth came both from new dollars infused by existing clients and new advertisers, he says.

Cable sales executives are also quick to point to cable's increasing penetration levels—it's now available in more than 60% of all U.S. households—the medium's competitive pricing and the increase in quality programming as the driving forces of new business.

"With the plethora of violence, exploitation and sensationalistic [fare] there becomes an increased demand for clean-cut, advertiser-friendly programming," says Bill McGowan, senior VP-ad sales at Discovery Networks.

"Cable was insulated to a certain degree in 1991 from some of the economic softness because our [costs per thousand were] less expensive," he adds.

Among other top spenders, General Motors nudged out General Mills for the No. 2 spot, putting $32.4 million into cable, up 24.6%.

General Mills devoted $31.8 million to cable, a 16.1% gain.

Among advertisers showing significant growth in LNA tabulations were those in the entertainment and amusement category, which raised overall cable spending about 32%, to $82 million.

Haircare and snack food categories also show growth in the LNA reports. For example, the confectionery, snack and soft drink category boosted cable spending about 34% to $71 million. Another big showing came from food and food product marketers, which spent $142 million on cable in 1991, up about 15%.

Breathing a sigh of refief coming out of a tough 1991, cable sales executives say 1992 looks brighter, mostly because of an expected economic turnaround and a rebound of a depressed TV marketplace.

Already, signs of renewed life are emerging as advertisers are actively committing to the TV scatter market. In addition, cable networks fared well during the kids' upfront market, which broke early this year. In the upfront selling season, advertisers buy time as much as a year in advance to lock in prices, programs and CPM guarantees.

"The kids' market is atypical, but a very good signal," says one cable sales executive. "We've definitely gotten past the bottom."

"1992 has started out as a strong year and will continue to get stronger," says Mr. McGowan. "The second-quarter scatter marketplace is tight, virtually sold out. There will be even higher demand in the third and fourth quarters. I'm very bullish on the scenario for the rest of the year." □

Cable doubly appreciated at P&G

Top 15 companies ranked by cable TV network dollars (in millions)

	Jan.-Dec. 1991	% change from 1990
1. Procter & Gamble Co.	$67.82	17.1%
2. General Motors Corp.	32.35	24.6
3. General Mills	31.84	16.2
4. Anheuser-Busch Cos.	31.49	17.5
5. Time Warner	29.30	–41.5
6. Philip Morris Cos.	24.01	– 9.9
7. Sears, Roebuck & Co.	20.32	2.8
8. AT&T Co.	19.31	26.4
9. Eastman Kodak Co.	19.09	51.6
10. American Home Products Corp.	19.09	76.3
11. RJR Nabisco	17.79	–17.9
12. Mars Inc.	16.59	59.5
13. McDonald's Corp.	16.22	84.3
14. Hasbro Inc.	15.56	100.5
15. PepsiCo	15.12	15.2

Note: Includes spending on CNN, ESPN, Family Channel, MTV: Music Television, WTBS and USA Network.
Source: LNA/Arbitron Multi-Media Service. Advertising Age graph: John Hall

Chains savor what's on table

(Continued from Page S-1)
in-store marketing programs tied to cable. In 1990, Pizza Hut signed a multiyear agreement with Nickelodeon and made the channel one of its chief marketing partners.

The chain is a charter advertiser in Nickelodeon's magazine and will distribute the premiere issue free in its stores next year.

1The PepsiCo fast-food division also is a presenting sponsor of Nickelodeon Studios at the Universal Studios Florida complex in Orlando.0

Pizza Hut's most recent promotion, which began in January, offers kids meals that include a plastic cup bearing characters from the network's "Doug," "Rugrats" and "Ren & Stimpy" programs.

There's also a cup of "green slime pudding," a bright green treat that looks like the slime used to douse Nickelodeon game-show contestants.

"Kids are a very important part of our market, and our relationship with Nickelodeon has brought kids into our stores," says Pizza Hut Senior VP-Marketing Bob Perkins.

"An integral part of any media budget is that no one medium is bought to the exclusion of all else. Putting a certain percentage into cable is a sound media buy, and we've been very pleased with the results," he adds.

"You can say cable still doesn't reach everywhere . . . but network TV viewership is dropping, too."

The promotions and premiums are important, but "cable programming and reach are the most important factors, with the packaging secondary," Mr. Perkins says.

"It has helped us reach targets that are otherwise difficult to reach."

> "We're bringing added edge in the marketplace."

According to Heidi Diamond, Nickelodeon VP-marketing, "We're helping in delivering a demo they're seeking, but I think we're doing more.

"We're bringing added edge in the marketplace, and that's important.

"The difference between the chains is in the food or the price/value or the experience," she says.

"We [think] there's an added benefit to Pizza Hut in having parents and children say, 'That's the Nickelodeon restaurant. Let's go there.' "

Ms. Diamond predicts Nickelodeon and other channels will be courting the restaurant industry with opportunities for local co-ops as well as national franchisors.

Pay-Per-View Network and the 39-store Pizza Hut co-op in San Diego ran a three-week cross promotion Nov. 18 through Dec. 4 tied to the Viewer's Choice telecast of "The Judds' Farewell Concert."

Pizza Hut placed $5 coupons for the Judds telecast on 100,000 pizza boxes delivered during the promotion.

A 30-second spot promoting the telecast and Pizza Hut's local sponsorship aired 300 times on cable.

Print ads ran in local newspaper TV supplements, in *TV Guide* and *TV Time Cable Guide*.

"This was our first effort in the [restaurant] category, really a test, but we're already talking to Pizza Hut and others about similar sponsorships for movies, concerts and other events," says Hilda Chazanovitz, Viewer's Choice VP-marketing.

"The marriage of PPV and home delivery of pizza is a natural. PPV telecasts are really social occasions. Friends and families tend to gather for them," she says.

Results surpassed expectations for both partners, she says, with Pizza Hut's delivery orders above average during the three weeks before the telecast and Viewer's Choice participation in San Diego 37% above the national average. □

Who's watching what and where

Household viewing breakdown for major cable TV networks (prime time, fourth-quarter 1991)

Territory	A&E	BET	CNN	ESPN	TBS	Discovery	The Weather Channel	CTNN	TNT	VH1	Comedy Central	MTV	Nickelodeon	Nick at Nite	USA Network	Lifetime
Northeast	30%	19%	21%	21%	18%	23%	23%	13%	23%	29%	21%	27%	20%	21%	24%	25%
East Central	15	15	13	14	15	14	15	15	16	14	NA*	14	14	18	15	14
West Central	14	9	17	13	14	13	16	18	14	12	15	11	18	18	12	13
Southeast	20	29	21	23	28	22	26	35	21	17	20	17	21	22	23	19
Southwest	8	20	11	12	12	9	14	15	12	11	16	12	14	9	10	10
Pacific	14	8	18	17	13	19	6	5	15	17	26	18	14	12	15	19
Household size																
1 person	20%	11%	26%	12%	14%	17%	20%	28%	14%	13%	15%	12%	13%	18%	15%	21%
2 person	40	23	40	36	35	35	28	45	33	21	38	21	22	41	36	37
3 person	40	56	34	52	52	47	52	27	53	56	47	57	56	41	48	42
4+ person	22	45	20	32	32	30	31	13	32	45	30	42	40	24	29	22
Household income																
Under $20 ,000	16%	46%	25%	19%	29%	19%	26%	44%	25%	17%	NA*	24%	29%	41%	33%	25%
$20,000-$30,000	16	16	16	16	17	19	14	14	16	15	15	16	13	19	18	15
$30,000-$40,000	15	13	13	17	15	16	21	12	16	15	NA*	14	15	13	15	15
$40,000-$60,000	27	12	21	23	19	21	19	11	20	24	33	18	23	13	18	23
$60,000+	26	13	25	25	20	25	20	7	23	29	27	26	20	14	16	22
Education of household																
No college	49%	66%	50%	51%	62%	60%	53%	84%	58%	53%	40%	53%	59%	69%	65%	57%
4+ years college	30	15	30	24	19	20	28	8	22	23	34	24	21	14	16	23

Note: *Deemed too small for statistical significance. **Source:** Bozell analysis of Nielsen Media Research data

Advertising Age graph: John Smither

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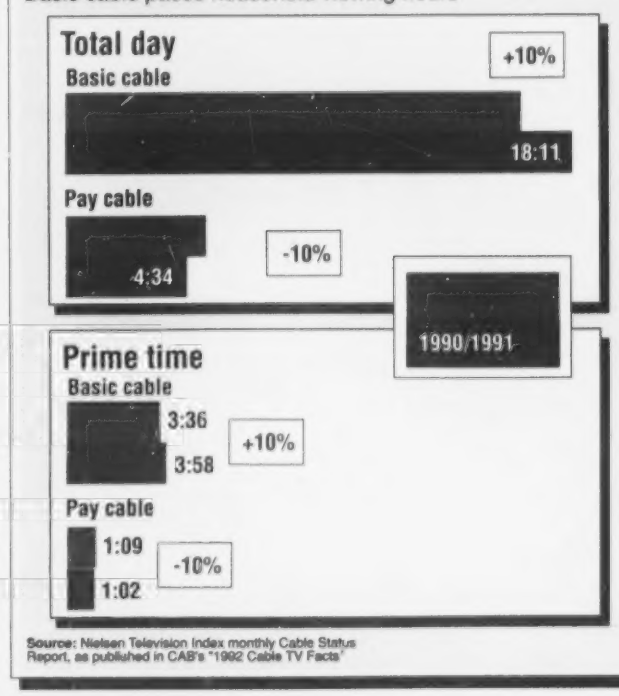
Live wire

Basic cable paces household viewing hours



Source: Nielsen Television Index monthly Cable Status Report, as published in CAB's "1992 Cable TV Facts"